



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN  
Chief Administrative Officer

April 5, 2005

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, Ca 90012

Dear Supervisors:

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**APPROVAL OF REIMBURSEMENT RESOLUTION  
FROM THE PROCEEDS OF TAXABLE OR TAX-EXEMPT OBLIGATIONS  
(All District – 3 Votes)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the attached Resolution stating the County's Intent to Reimburse Certain Capital Expenditures from future proceeds of Taxable or Tax-exempt Obligations that are issued on behalf of the County Sanitation Districts.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the above recommended action will enable the County to reimburse certain capital expenditures from the potential proceeds of long-term debt issued on behalf of the Los Angeles County Sanitation Districts. This action does not commit the County to an issuance of debt.

In a related item on today's agenda, the Sanitation Districts are requesting your Board's approval to transfer funds from the Los Angeles County Refuse Disposal Trust Fund to the Calabasas Landfill to initiate the first phase of capital improvements. The Calabasas Landfill requires an estimated \$30.0 million in capital improvements in order to maintain regulatory compliance and ongoing operations.

The Sanitation Districts have requested the County's assistance in obtaining cash flow financing for the proposed capital improvements. In order to ensure reimbursement of capital expenditures by the County made prior to a bond issue, your Board is required

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under federal regulations, to adopt the attached Resolution. We will return to your Board with the Treasurer and Tax Collector with our collective recommendations regarding any financing structure in the near future.

### **Implementation of Strategic Plan Goals**

This action furthers the County's Strategic Plan Goals of Service Excellence by providing the necessary short-term assistance to another governmental agency effectively managing the resources to invest in public infrastructure.

### **FISCAL IMPACT/FINANCING**

There is no net County cost associated with a debt issuance. Sanitation District revenue would pay the debt service on any bonds.

The proposed improvements at the Calabasas Landfill are estimated to cost \$30.0 million. Adoption of the attached Resolution will permit reimbursement of up to \$4,150,000 in costs incurred in the first phase of the improvements from the proceeds of a debt issue. Any issuance of debt would be secured with a pledge of the first revenues received from the Calabasas Landfill working capital fund.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

County Counsel has approved this resolution as to form.

### **ENVIROMENTAL DOCUMENTATION**

All environmental documentation will be prepared by the Sanitation Districts and approved by the regulatory agencies prior to implementation of any proposed capital improvements.

### **CONTRACTING PROCESS**

Not Applicable

### **IMPACT OF CURRENT SERVICES (OR PROJECTS)**

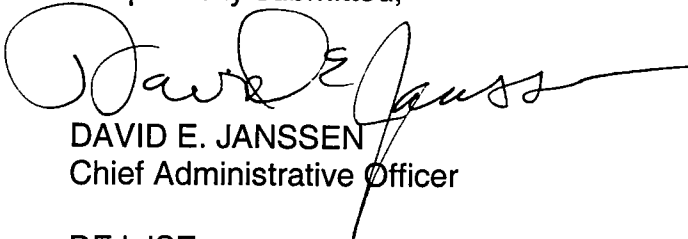
Not Applicable

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**CONCLUSION**

Please return one adopted copy of this letter to the CAO, Capital Projects Division and Treasurer and Tax Collector.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a long horizontal flourish extending to the right.

DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:JSE  
DJT:DKM:mdc

Attachment

c: County Counsel  
Treasurer and Tax Collector  
Department of Public Works  
Sanitation Districts

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
COUNTY OF LOS ANGELES DECLARING ITS OFFICIAL  
INTENTION TO REIMBURSE CERTAIN CAPITAL  
EXPENDITURES FROM THE PROCEEDS OF TAXABLE OR  
TAX-EXEMPT OBLIGATIONS**

**(CALABASAS LANDFILL PROJECT)**

**WHEREAS**, the County of Los Angeles (the "County") desires and intends to undertake certain capital improvements at the Los Angeles County owned Calabasas Landfill (the "Project"); and

**WHEREAS**, no funds of the County or of any other entity which is a part of the controlled group of which the County is a part (the "Controlled Group") are, or are reasonably expected to be allocated, reserved or otherwise set aside in the County's budget or in the Controlled Group's budget on a long-term basis to pay the costs of the Project; and

**WHEREAS**, certain costs of the Project will initially be paid from the Los Angeles County Refuse Disposal Trust Fund (the "Trust Fund"); and

**WHEREAS**, the costs of the Project paid from the Trust Fund will be expenditures of a type which are properly chargeable to a capital account under general federal income tax principles in connection with the Project; and

**WHEREAS**, the County expects to issue taxable or tax-exempt bonds, notes, certificates of participation, or enter into a tax-exempt lease with a third-party lessor ("Obligations") to reimburse the Trust Fund and reimburse the capital expenditures of the County with respect to the Project which were paid from the Trust Fund; and

**WHEREAS**, after issuance of the Obligations, the County will: (1) evidence the reimbursement allocation with an entry in the books or records which it maintains with respect to the Obligations, (2) identify in such entry the actual prior expenditure being reimbursed or the fund from which the expenditure was paid, and (3) be relieved of any restrictions under the relevant legal documents and applicable state law with respect to the amount received as reimbursement as a result of the reimbursement allocation; and

**WHEREAS**, this Resolution will be reasonably available for public inspection within a reasonable period of time after its date of adoption and in the same manner governing the public availability of records of other official acts of the County Board of Supervisors; and

**WHEREAS**, this Resolution is intended to be a "declaration of official intent" in accordance with Section 1.150-2 of the regulations of the United States Department of the Treasury under the Internal Revenue Code of 1986, as amended (the "Treasury Regulations").

**NOW, THEREFORE IT IS RESOLVED**, this Board does find, resolve, determine and order that in accordance with Section 1.150-2 of the Treasury Regulations, the County declares its intention to issue Obligations to finance the Project in an amount not to exceed \$35,000,000, the proceeds of which will be used to reimburse the County for capital expenditures paid for the Project prior to the issuance of said Obligations.

The foregoing Resolution was on the \_\_\_\_\_ day of \_\_\_\_\_, 2005, adopted by the Board of Supervisors of the County of Los Angeles, and *ex-officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS  
Executive Officer-Clerk of the Board of  
Supervisors of the County of Los Angeles

By: \_\_\_\_\_  
Deputy

Approved as to form:

RAYMOND G. FORTNER, JR.  
County Counsel

By: \_\_\_\_\_

Principal Deputy County Counsel